

16. RETIREE HEALTHCARE

16.1 The City and Association agree that they must address a number of issues regarding the retiree healthcare benefit. For this reason, the retiree healthcare benefit is subject to the reopener in Subsection 4.1.3 of this Agreement, and the parties intend to continue negotiating and working together to address these issues. This provision reflects the current status of the retiree healthcare benefit pending an interim and/or long term resolution of the issues.

16.2 Employees are eligible to receive the retiree healthcare benefit in accordance with the San Jose Municipal Code.

[Comment: ALP has placed this provision back into Section 16. ALP does not agree to the City's removal ALP has placed this provision back into Section 16. ALP does not agree to the City's removal of this provision and is deeply troubled that the City would back off the statement. As your e-mail states, the intent of this provision is to reflect the status quo as to the retirement benefit. Without this provision, the provision does not state what the retirement benefit is. Is the City suggesting that ALP employees are not entitled to the retirement benefit set forth in the Municipal Code? The removal of this provisions seems particularly objectionable given the retiree healthcare reopener and the fact that this Agreement is only valid for about a month before expiration.]

16.3 On April 21, 2009, the City started implementing a plan to transition to full pre-funding of the retiree healthcare benefit for unrepresented Executive Management employees (Unit 99). At the time, all of the member classifications currently in ALP were unrepresented and in Unit 99. ALP was formed as a bargaining unit after the City's imposition of the full pre-funding plan. The full pre-funding plan that the City currently is implementing is set forth in Resolution No. 74882, entitled "A Resolution of the Council of the City of San Jose Approving Agreements Between the City of San Jose and Several Bargaining Units Regarding Retiree Healthcare Funding, and Implementing Retiree Healthcare Funding for Units 99 and 82," and the April 7, 2009, Memorandum to the Mayor and City Council attached as Exhibit A thereto.

16.4 Neither the City nor the Association waives any rights or assertions, each may have, related to the retiree healthcare benefit through any of the provisions of this Agreement. This Agreement shall not be considered a waiver by the City, the Association or the employees represented by the Association, of any rights or assertions each may have regarding the retiree healthcare benefit, including but not limited to any rights or assertions related to any of the following:

- Any vested rights employees may or may not have related to the retiree healthcare benefit,
- The meaning of any San Jose Municipal Code provisions or provisions of other documents related to the scope and/or implementation of the retiree healthcare benefit,
- The retiree healthcare benefit funding plan implemented by the City, or

- The member contribution rates established by the Retirement Board and the deductions made by the City from employee payroll checks for the retiree healthcare benefit, or
- Any other issue related to the retiree healthcare benefit, including but not limited to any issue under the Meyers-Milias-Brown Act ("MMBA") regarding matters within the scope of representation.

~~Likewise, the City does not waive any rights or assertions it may have regarding any of the topics listed above or any provision of this Agreement, including but not limited to those under the Meyers-Milias-Brown Act ("MMBA") regarding matters within the scope of representation.~~

Nothing in this section is intended to expand either party's rights, which each may have, regarding retiree healthcare.

- 16.5 The parties acknowledge that, on June 12, 2012, the City unilaterally imposed the "Kaiser 1500" healthcare plan referred to in Section 15 of this Agreement for bargaining unit employees.